

IN THE MATTER OF THE FACT-FINDING BETWEEN

CITY OF URBANDALE, IOWA,

Employer,

and

PUBLIC PROFESSIONAL AND  
MAINTENANCE EMPLOYEES,  
LOCAL 2003, POLICE UNIT,

Union.

CEO #585/3

FACT-FINDER'S REPORT

RECEIVED  
PUBLIC EMPLOYMENT  
RELATIONS BOARD

2003 APR 11 PM 12:36

APPEARANCES

For the Union: Mark Hedberg, Attorney  
Deborah Groene, Business Representative  
Dick Williams, International Representative  
Matt Gausman, Police Officer  
Wayne Newkirk, Economist

For the County: James C. Hanks, Attorney  
Jerry Thompson, Negotiator

BACKGROUND

The City of Urbandale ("Employer") and the police unit of the Public, Professional and Maintenance Employees, Local 2003, ("Union") began negotiations for a 2003-2004 contract in the fall of 2002. The parties were not able to reach voluntary settlements on all items, and a mediation session was held. Mediation was not successful. The parties selected the undersigned as Fact-finder, scheduling a hearing to be held on January 15, 2003. Prior to that date, the parties mutually agreed to continue the hearing to a later date. As part of that agreement, the Employer and the Union agreed to extend the time for completion of the impasse procedure. See letter attached hereto and marked as Exhibit "A." Subsequent

to the continuance, the parties were not able to reach agreement on all remaining items of impasse and a fact-finding hearing was, as a consequence, held at the Urbandale, Iowa, City Hall building, on March 31, 2003, commencing at approximately 9:30 A.M., and ending at approximately 2:30 P.M.

The Employer was represented at the hearing by James C. Hanks, attorney, and the Union was represented by Mark T. Hedberg, attorney. In addition to information provided by the respective attorneys, evidence was submitted by Jerry Thompson, the Employer's Negotiator, Deborah Groene, Business Representative for the Union, Dick Williams, International Representative for the Union, Matt Gausman, Urbandale Police Officer, and Dr. Wayne Newkirk, Economist.

### ISSUES

There are two items at impasse in this matter. They are:

1. Article XII, Insurance.
2. Article XVII, Wages.

The position of the Employer with respect to these items and the position of the Union regarding them are attached hereto and marked as Exhibits "B" and "C" respectively. Those position statements more fully set forth the issues.

### DISCUSSION AND FINDINGS OF FACT

Chapter 20 of the Code of Iowa does not specify what criteria Fact-finders should consider when making recommendations to resolve an impasse. However, it is common practice for Fact-finders to

rely on the factors or criteria specified in Section 20.22(9) for arbitrators to consider, summarized here as prior bargaining history, comparability, ability to pay and power to tax. I will make reference to those criteria in the following discussion and in my recommendations.<sup>1</sup>

#### BARGAINING HISTORY

Since 1979, the parties have utilized the services of fact-finders, not including the undersigned, on four occasions and the services of arbitrators on two occasions. See Joint Exhibit No. 1. While both parties, in their presentations to this Fact-finder, described their negotiations of prior contracts as difficult, it is the undersigned's view that contracts agreed upon after a Fact-finder's report are still voluntary. Such results confirm the role of the Fact-finder to provide an outside perspective on items at impasse, with the objective of encouraging parties to revisit their positions on such items. With that role in mind, the undersigned believes the following information submitted at the hearing is pertinent to the matters at hand.

Since the 1995-96 contract year, the salaries of patrolmen in the bargaining unit, who were at the bottom and top steps in the

---

<sup>1</sup>At the commencement of the hearing, James C. Hanks advised the Employer was not asserting an inability to pay with respect to the items at impasse. Consequently, the discussion relating to the latter two factors focuses on the cost of the items at impasse.

salary schedule, have been set by voluntary agreement of the parties as follows:<sup>2</sup>

	<u>Bottom</u>	<u>Top</u>
1996-97	\$28,563	\$34,280
1997-98	\$29,563	\$35,480
1998-99	\$30,598	\$36,722
1999-2000	\$31,592	\$37,915
2000-2001	\$32,698	\$39,242
2001-2002	\$33,842	\$40,615
2002-2003	\$35,196	\$42,240

From the foregoing data, the undersigned computes the annual increase in salaries, at the two steps surveyed, since the 1996-97 contract year were as follows:<sup>3</sup>

	<u>Bottom</u>	<u>Top</u>
July 1, 1997	\$1000 or 3.5 %	\$1200 or 3.5 %
July 1, 1998	\$1035 or 3.5 %	\$1242 or 3.5 %
July 1, 1999	\$ 994 or 3.25%	\$1193 or 3.25%
July 1, 2000	\$1106 or 3.5 %	\$1327 or 3.5 %
July 1, 2001	\$1144 or 3.5 %	\$1372 or 3.5 %
July 1, 2002	<u>\$1354 or 4.0 %</u>	<u>\$1625 or 4.0 %</u>
Average	\$1106 or 3.5 %	\$1327 or 3.5 %

Regarding the insurance impasse item, the undersigned once again finds Fact-finder Walter Franke's report and the 1997-1999, 1999-2001, and 2001-2003 contracts between the parties, contained

---

<sup>2</sup>See Union Exhibit No. 3, Pages 25, 109, 110, 87, 88, 64, and 65. See also Union Exhibit No. 5.

<sup>3</sup>The information regarding the 1996-97, bottom and top-step salaries were gleaned from Fact-finder Walter Franke's report and Union Exhibit No. 5. Neither he nor the Exhibit indicated what the 1996-97 salaries were for the other steps in the patrolman salary schedule for that contract year. However since the 1997-98 contract year, it would appear the increases have been the same, in terms of percentage, for each step in the patrolman salary schedule.

in Union Exhibit No. 3, to be probative. Fact-finder Franke indicated in his report that the contract in effect for the 1996-97 year required the City to pay \$42 per month toward the premium for prescription drug coverage, for those employees in the "Traditional" medical insurance plan, and required employees who selected that plan to pay \$6.00 per month towards the cost of the prescription drug coverage. His report further indicated employees paid a \$4.00 deductible for each drug prescription received. Fact-finder Franke recommended no change in the amounts paid by the Employer towards the aforesaid premium. In reviewing the 1997-99 contract between the parties, its apparent, however, after receipt of the Fact-finder's report, the parties voluntarily agreed to increase the Employer's contributions towards the premium for prescription-drug coverage in the "Traditional" plan to \$60.00 per month, effective July 1, 1997, and \$65.00 per month effective July 1, 1998. The provision for the payment of a \$4.00 deductible by employees in the aforesaid plan for each prescription continued unchanged in the 1997-99 contract. In the two subsequent contracts negotiated voluntarily by the parties, the provisions regarding prescription drug coverage and payments relating thereto by the Employer and bargaining unit employees have continued unchanged.<sup>4</sup>

This bargaining history is a material consideration, in the opinion of the undersigned, to the resolution of the impasse on

---

<sup>4</sup>Testimony received from Jerry Thompson for the Employer indicates the \$4.00 co-pay for prescriptions has been in place since 1990.

both items in this matter. Because contracts are often the result of concession by one party on one item in exchange for an agreement by the other parties on another item, neutrals should be circumspect about changing the balance the parties have previously struck in such contracts.

#### COMPARABILITY

From the testimony received at the hearing in this matter, it is apparent the parties have not historically been in agreement as to what group of employers and police departments to compare the City of Urbandale and its police department to. The instant case is no exception. The Union submits the following group of suburban cities around the City of Des Moines is appropriate for use in comparisons:<sup>5</sup>

<u>City</u>	<u>Population</u>
Ankeny	27,117
Altoona	10,354
Clive	12,885
Johnston	8,649
Pleasant Hill	5,070
West Des Moines	46,403
Windsor Heights	4,805

The Employer submits one should use those cities across Iowa, which are the next five larger, in terms of population, and which are next five smaller, in terms of population, to the City of Urbandale. The cities currently falling into that group are:

---

<sup>5</sup>Urbandale's population, as shown in Union Exhibit No. 2, Page I-A-2, is 29,072.

<u>City</u>	<u>Population</u>
Ankeny	27,117
Ames	50,731
Bettendorf	31,275
Burlington	26,839
Cedar Falls	36,145
Clinton	27,772
Marion	26,294
Marshalltown	26,009
Mason City	29,172
West Des Moines	46,403

This Fact-finder finds there are characteristics of the Union's group which both favor and disfavor its use. The same is true for the Employer's group. For example, it is problematic that the patrol officers employed by the City of Clive are not part of a certified bargaining unit and that, with the exception of Ankeny and West Des Moines, the cities within the Union's group are much smaller than Urbandale in population. However, given the geographic proximity of the cities within the Union's group, one would expect the economic forces within the area, including relevant components of cost of living, would impact the individual cities and their employees in a similar fashion. On the other hand, one would expect the shared characteristic of population in the Employer's group to translate into similarities in sources of revenue, similarities in the numbers of employees and organizational structure within their police departments, and similarities in the work load of those employees. The lack of geographic proximity in the Employer's group, however, could distort some of the foregoing expectations. For example, the local

economies of some of those cities may be depressed in relation to the local economy in Polk County at any given point in time.

On balance, the conclusions of Fact-finder Franke in his 1997 report regarding the respective comparison groups of the parties are well taken. In that report he advised:

...The comparison group chosen by the Union...is comprised of law enforcement units in eight (8) cities (including Urbandale) located within Polk County and bordering the city of Des Moines. The comparison group chosen by the City is comprised of the next five (5) larger and next five (5) smaller cities (vis-a-vis Urbandale) by population in Iowa... The analyses provided in this report rely almost entirely upon...these comparison groups...

Fact-finder Franke went on to state in his analysis of the 1997 wage-impasse item:

...All comparison groups used by the parties are appropriate and can be well defended...

In the consideration of the comparisons on the wage and insurance impasse items, the undersigned believes both the group submitted by the Union and the group submitted by the Employer are appropriate and should in fact be used.<sup>6</sup> In this Fact-finder's experience, the use of more than one group of comparables is not uncommon and, as the undersigned perceives is the case here, can in fact lead to a more comprehensive picture of what is reasonable with respect to items at impasse.

---

<sup>6</sup>The Employer also submitted a group of cities which had been, through the period 1980 to 1997, the next five larger and next five smaller in population compared to Urbandale. The undersigned has not used that historical group in making the recommendations herein.



The Union's proposal regarding the across-the-board wage increase for bargaining-unit members for the 2003-2004 contract year appears to this Fact-finder to be premised upon a perceived "slippage" in their salaries vis-a-vis those in the other police departments it surveyed. Union Exhibit No. 5 revealed the following information regarding patrol officer salaries in its comparison group during the 1996-97 contract year:

PATROL OFFICER

	START	RANK	TOP OUT	RANK
ALTOONA	\$23,383	7	\$30,990	7
ANKENY	\$27,039	4	\$33,340	5
CLIVE	\$25,500	6	\$37,000	1
JOHNSTON	\$26,978	5	\$32,282	6
PLEASANT HILL	\$22,996	8	\$28,746	8
WEST DES MOINES	\$27,290	3	\$36,171	2
WINDSOR HEIGHTS	\$28,018	2	\$33,621	4
<b>AVERAGE</b>	<b>\$25,886</b>		<b>\$33,164</b>	
URBANDALE	\$28,563	1	\$34,280	3
ABOVE AVERAGE	\$ 2,677		\$ 1,116	

Union Exhibit No. 3 revealed the following information regarding patrol officer salaries in its comparison group during the 2002-2003 contract year:<sup>7</sup>

---

<sup>7</sup>While the Union provided information regarding City of Clive police-officer salaries for the period, it did not contain that information in a salary-schedule format, and the undersigned was not able to use the information for this comparison.

	START	RANK	TOP OUT	RANK
ALTOONA <sup>8</sup>	\$29,520	7	\$39,033	6
ANKENY <sup>9</sup>	\$34,224	4	\$48,157	1
JOHNSTON	\$35,485	1	\$42,453	3
PLEASANT HILL	\$33,958	5	\$37,731	7
WEST DES MOINES	\$34,445	3	\$45,885	2
WINDSOR HEIGHTS	\$33,116	6	\$41,128	5
<b>AVERAGE</b>	<b>\$33,458</b>		<b>\$42,398</b>	
URBANDALE	\$35,196	2	\$42,240	4
ABOVE AVERAGE	\$ 1,738		\$ (158)	

To some extent, Fact-finder Franke's report in 1997, Union Exhibit No. 3, at page 26, and Employer Exhibit No. E-2 substantiates the change in position suggested in the foregoing Union data. In his 1997 report, Fact-finder Franke stated:

...The City's data are for the top of the wage scale only and show that Urbandale currently ranks third in the City's comparison group. Its data also show the top wage for patrol officer in Urbandale to be 9.4% above the average for the other sample cities...

Employer Exhibit No. E-2 reflects that, within the Employer's comparison group, the Urbandale patrol-officer, annual salary at

---

<sup>8</sup>Salary effective January 1, 2003.

<sup>9</sup>The top Ankeny patrol officer salary is \$48,157. However, no patrol officer will receive that rate of pay until July of 2004. The top annual rate pay actually received in the 2002-2003 contract year is \$43,680. While that rate would not change the position of Urbandale relative to the other cities, it would result in an average annual salary figure of \$41,652.00, placing Urbandale's top rate \$588.00 above the average.

the top step for 2002-2003 ranks seventh in the group and is 1.76% below the average.

The Union's case for slippage, however, is less persuasive when one considers salaries paid at other than the top step in the salary schedule. The evidence submitted to the undersigned reflects since July 1, 1998, the City of Urbandale has hired 20 new officers, 16 of whom appear to still be on staff. Those sixteen comprise approximately one-half the total number of bargaining unit members. The sixteen remaining by date of hire are as follows:

<u>Name</u>	<u>Employment Date</u>
Chad Underwood	01-06-03
Shane Taylor	12-07-02
Scott Liston	11-04-02
Shawn Popp	11-11-02
Cari Wetzel	10-07-02
Rebecca Stott	07-29-02
Andy Dobbins	05-13-02
Erin Ross	04-15-02
Mike Haydon	03-25-02
Mackenzie Cloud	07-02-01
Brian Weger	03-05-01
Brent Meskimen	04-17-00
Chris Greenfield	02-21-00
Dan Stein	01-10-00
Curt Vajgrt	04-05-99
Chris Latcham	07-07-98

See Employer Exhibit No. G-1 and Employer Exhibit No. G-2.

In reviewing Union Exhibit No. 3, the undersigned concludes the 2002-2003 contract year salaries for the foregoing officers, who comprise about one-half of the bargaining unit, are above the norm, shown in more detail as follows:<sup>10</sup>

---

<sup>10</sup>Again, I have not included the 2002-2003 salaries for the Clive officers with five years or less seniority for the reason I

ANNUAL SALARIES

	Step 1	Step 2	Step 3	Step 4	Step 5
Altoona	29,520	30,701	31,930	33,206	34,534
Ankeny	34,224	35,935	37,732	39,619	41,600
Johnston	35,485	37,253	39,000	40,726	42,453
Pleasant Hill	33,958	35,845	37,731	37,731	37,731
West Des Moines	34,445	35,963	37,502	39,686	41,891
Windsor Heights	33,116	35,988	37,702	39,416	41,128
<b>Average</b>	<b>33,458</b>	<b>35,281</b>	<b>36,933</b>	<b>38,397</b>	<b>39,890</b>
Urbandale	35,196	36,960	38,716	40,477	42,240
Above the Average	1,738	1,679	1,783	2,080	2,350

See Union Exhibit No. 3.

Another way of looking at whether an employer is comparable with other employers, and a perspective which the undersigned believes to be more in line with the realities of collective bargaining, is to look at where employees are in terms of total compensation for services vis-a-vis similarly situated employees. The undersigned prefers this approach in making comparisons because, in bargaining, it is common practice for parties to make concessions on one item to gain improvements or changes in another. For example, a union seeking to increase the employer's contribution to the premiums for health insurance coverage for the bargaining unit members may accept a lower wage or salary increase

---

am unable to determine same from the Union Exhibits. Some of the cities shown structure their wage schedule in terms of dollars per hour. The computation herein, then, is based upon a 2080 hour work year. The City of Altoona's 2002-2003 contract provided for a wage increase July 1, 2002, and one for January 1, 2003. The wages shown for that police department are the wages in effect on January 1, 2003.

than it would otherwise.<sup>11</sup> Consequently, if one looks only at one item in compensation, the picture one gets may be skewed. The following example, using the City of Ankeny and the City of West Des Moines police departments, serves as an illustration of this point.<sup>12</sup>

City of Ankeny

Top wage/salary paid in 2002-2003 contract year	\$43,680
Cost of dependent health insurance	+10,701
Longevity pay (top rate)	+ 2,000
Uniform cleaning allowance	+ 0
Employee contribution to dependent health insurance (Plan A)	- 869
Educational incentive pay	+ 0
	<u>\$55,512</u>

City of West Des Moines

Top wage/salary paid in 2002-2003 contract year	\$45,885
Cost of dependent health insurance	+ 7,104
Longevity pay (top rate)	+ 950
Uniform cleaning allowance	+ 0
Employee contribution to dependent health insurance	- 781
Educational incentive pay	+ 0
	<u>\$53,158</u>

---

<sup>11</sup>It appears to the undersigned this may have happened between the parties to this contract in 1997. The undersigned notes Fact-finder Franke recommended a 4.0% across-the-board salary increase for the 1997-98 contract and that the Employer's premium contribution for prescription drug coverage not change in the "Traditional" plan. Yet, the 1997-98 contract reflects an agreement increasing wages 3.5% and the Employers contribution to the premium for prescription coverage by \$18 to \$60 per month. See Union Exhibit No. 3, pages 21, 27, 103 and 110.

<sup>12</sup>I have used these two cities for comparison because they appear in both the Union's and the Employer's comparison group.

City of Urbandale

Top wage/salary paid in 2002-2003 contract year	\$42,240
Cost of dependent health insurance	+10,870
Longevity pay (top rate)	+ 1,267
Uniform cleaning allowance	+ 364
Employee contribution to dependent health insurance (PPO)	- 60
Educational incentive pay <sup>13</sup>	<u>+ 371</u>
	\$55,052

See Employer Exhibit Nos. E-1, F-2, E-14, E-12 and E-13.

Both parties submitted information regarding salary/wage settlements in their comparison groups, effective for the 2003-2004 contract year. Union Exhibit No. 2 showed the following salary increases, by percentage, in place as of the date of the hearing in this matter:

Ankeny	5.0%
Altoona	3.5%
Johnston	4.0%
West Des Moines	3.5%
Windsor Heights	4.0% <sup>14</sup>

The average of the foregoing settlements is 4.0%.

---

<sup>13</sup>Fifteen officers currently receive this benefit: Seven receive \$1,000.00 per year, seven receive \$600.00 per year, and one receives \$300.00 per year, for a total amount in benefits paid of \$11,500.00. When divided by 31, the number of current bargaining-unit members reported to the undersigned, the resulting figure is \$370.97, an amount which, had the parties chosen to do so, could have been added to the regular salaries of each officer.

<sup>14</sup>Windsor Heights also added a step at the top of its salary schedule, resulting in an increase for officers who move to that Step of 7.89%, and also increased the amounts paid at the "recruit" and "entry level" steps by 7.5% and 6.78%. All steps in between, were increased by 4%.

Employer Exhibit No. E-9 showed the following salary increases, by percentage, had been agreed to by the cities in its comparison group at the time of the hearing in this matter:

Ankeny	5.0%
Ames	3.5%
Burlington	3.75% (2.5% 7/1/03 2.5% 1/1/04)
Cedar Falls	2.90%
Clinton	3.0%
Marion	3.0%
Marshalltown	3.0%
West Des Moines	3.5%

The average for the above settlements is 3.46%. The analysis regarding those settlements can be taken one step further by comparing salaries at the top-step in contract year 2002-2003 to those in 2003-2004, set forth as follows:

	2002-2003	2003-2004
Ankeny	43,680	45,864
Ames	44,428	45,983
Burlington	36,700	38,076
Cedar Falls	40,215	41,381
Clinton	46,151	47,536
Marion	40,369	41,580
Marshalltown	42,299	43,568
West Des Moines	45,885	47,491

See Employer Exhibit Nos. E-2 and E-9.

The average of the 2003-2004 salaries in the above cities at the top step is \$43,935.00, or \$1,695.00 or 4.0% more than the current Urbandale salary at the top step.

From the record made, it appears Urbandale's two health insurance plans currently have different provisions with respect to prescription drug coverage and employee payments towards the cost of prescriptions. Under the PPO plan "...prescription drug

coverage is part of that plan..." See current contract. Under that plan, the 25 bargaining-unit employees who have selected it, pay 20% of the cost of prescriptions, up to their deductible amount, after which the plan pays 100% of the cost of prescriptions.<sup>15</sup> Under the second Urbandale plan, referred to as Iowa Benefits Trust Account #5, or "BMM," employees pay \$4.00 towards the cost of each prescription.

Union Exhibit No. 2, page II-1, revealed the following with respect to payments by employees towards the cost of health insurance premiums and prescriptions in the Union's group of comparables.

<u>City</u>	<u>Insurance Coverage</u>		<u>Prescriptions Plans</u>		
	<u>Single</u>	<u>Family</u>	<u>Generic</u>	<u>Brand</u>	<u>Non-Formula</u>
Windsor Heights	\$23/Month	\$46/Month	\$ 5	\$15	\$25
Altoona	ER paid		5	15	35
Ankeny (Plan A)	\$37.94/Month	\$72.45/Month	10	20	---
Ankeny (Plan B)	ER paid		10	20	---
Clive	ER paid	\$55.73/Month	5	15	---
Johnston	ER paid		Drugs are reimbursed @ 80%		
Pleasant Hill	\$140.40/Month	\$140.40/Month	Drugs are reimbursed @ 80%		
West Des Moines	ER paid	\$65.12/Month	\$10 Co-pay - 34 day supply		
Urbandale (Plan A)	ER paid	\$5/Month	Drugs are reimbursed @ 80%		
Urbandale (Plan B)	ER paid	\$50/Month	\$4 per Prescription		

---

<sup>15</sup>Testimony at the hearing from Jerry Thompson indicated 16 bargaining-unit members have dependent coverage under the PPO plan and 9 such members have single coverage under it. See also statements of James C. Hanks at the hearing regarding said plan.



Employer Exhibit No. F-5 provided the following information regarding cities in its comparison group relevant to the prescription-drug coverage impasse item:<sup>16</sup>

**COMPARISON OF PRESCRIPTION DRUG PLANS**

<u>CITY</u>	<u>PLAN</u>	
Ames	2 TIER PLAN	\$2/\$5
Ankeny	2 TIER PLAN	
Bettendorf	NONE	
Burlington	2 TIER PLAN	\$5/\$15
Cedar Falls	2 TIER PLAN	
Clinton	NONE	
Marion	NONE	
Marshalltown	DISCOUNT CARD	
Mason City	NONE	80% after deductible
West Des Moines	NONE	\$10 CO-PAY

In looking at the information submitted in the Union's Exhibit and the Employer's Exhibit, the undersigned finds what Fact-finder Franke had to say in 1997 about the prescription drug coverage component of the Urbandale plan is still true. In his report, Fact-finder Franke remarked "...cost and benefit comparisons with the Urbandale arrangement are difficult..." In the undersigned's view, there is no consistent pattern with respect to prescription

---

<sup>16</sup>In those cities showing no plan, drugs apparently are part of the basic medical coverage and their cost are reimbursed at a percentage rate (usually 80%). Burlington will go to a three tier plan at \$5, \$10, and \$15 on July 1, 2003.

drug coverage or employee payments for prescriptions in either the Union's or the Employer's group. Comparability, as a factor, in the undersigned's judgment is not particularly determinative, one way or the other, to the resolution of the impasse on this item.<sup>17</sup>

ABILITY TO PAY/POWER TO TAX

As noted at the beginning of this report, the Employer is not asserting an inability to pay the cost of any of the proposals for the 2003-2004 contract year on the items at impasse.<sup>18</sup> None the less, the undersigned believes there was evidence offered at the hearing in this matter which relates to the factor of ability to pay and requires comment, to wit: the rising cost of the health insurance benefit, in general, and of the prescription-drug coverage component thereof, in particular. Employer Exhibit F-1 provided the following information relating to the cost per month, per employee of health insurance for Urbandale employees over the past six years:

---

<sup>17</sup>The evidence submitted regarding the health insurance benefit as a whole in the cities surveyed by the Union and the Employer is not determinative as to the most reasonable result either. For example, four of the Employer's comparable (Bettendorf, Burlington, Clinton and Marion) pay the full cost of dependent health insurance coverage, and, in the Union's group, Altoona, Ankeny (Plan B) and Johnston pay the full cost of that coverage. See Employer Exhibit No. F-2 and Union Exhibit No. 2, page II-1.

<sup>18</sup>Union Exhibit No. 2, page B-2, indicates "...The recommended 2003-04 fiscal year budget anticipates a total revenue increase of \$1,918,288 (9.2%) over the 2002-03 adopted budget. If the TIF transactions are factored from the operating budget, the total revenue increase is \$1,545,378 (7.8%)..."

<u>Year</u>	<u>PPO Single</u>	<u>PPO Family</u>	<u>BMM Single</u>	<u>BMM Family</u>
97-98	\$183.57	\$419.70	\$182.32	\$418.45
98-99	\$219.17	\$509.63	\$217.92	\$508.38
99-00	\$280.80	\$657.89	\$279.52	\$656.61
00-01	\$281.58	\$658.68	\$280.05	\$657.15
01-02	\$313.56	\$750.00	\$311.56	\$747.96
02-03	\$382.61	\$905.81	\$380.71	\$903.91
<b>Increase</b>	<b>108%</b>	<b>116%</b>	<b>109%</b>	<b>116%</b>

If no changes are made to the Employer's insurance plan with the \$4.00 copay provision for prescription drugs, it is estimated the monthly rates for the prescription drug portion of it will be as follows in the 2003-2004 contract year:

Single	\$94.23
Family	\$284.57

If the plan were modified to provide for a \$5/20/45 drug card copay, it is estimated the monthly rates for the prescription drug portion of the plan would be as follows in the 2003-2004 contract year:

		<u>Savings</u>
Single	\$71.52	\$22.71
Family	\$215.99	\$68.58

See Employer Exhibit F-9.

While there are only five members of the bargaining unit currently selecting family coverage under the BMM plan and three members selecting single coverage under that plan, the change as proposed by the Employer could result in savings of \$4,932.36 in

the cost of the BMM health insurance plan in 2003-2004.<sup>19</sup> While this amount is small, in terms of the overall Urbandale budget for insurance in the police department, the contention of the Employer that its proposal is one step towards control of ever rising health insurance costs is still valid.<sup>20</sup> Every dollar spent to maintain the health insurance benefit in its present form is a dollar which may not be available for the other components of compensation. At the very least, recognition of this cost and uncontrolled increases to it must be factored into the determination of what is and will be reasonable in terms of salary increases to the bargaining-unit employees.<sup>21</sup>

---

<sup>19</sup>The number of police bargaining-unit employees in each of the insurance plans, according to Jerry Thompson is as follows:

PPO Family:	16
PPO Single:	9
BMM Family:	5
BMM Single:	<u>3</u>
TOTAL	33

Testimony received at the hearing indicates 2 of the bargaining-unit employees are in the military service and deployed currently. It's not clear from the record what effect their absence has on insurance costs of the unit.

<sup>20</sup>Union Exhibit No. 2, page A-7, reflects the cost of group insurance for the police bargaining unit in the adopted, FY 2003-04 budget is \$400,338, which represents a 25% increase over the amount for same in the revised 2002-03 budget.

<sup>21</sup>Union Exhibit No. 2, page A-7, shows the cost of group insurance for the police unit in 2002-03 to be \$320,270. The difference between that amount and the amount shown in the adopted FY2003-04 budget for group insurance is \$80,068. Union Exhibit No. 2, page IV-1, shows the difference in cost of the Union's wage proposal at fact-finding over the Employer's wage proposal at fact-finding is \$64,929.

### RECOMMENDATIONS

Based upon the foregoing discussion and information provided to me by the Union and the Employer, I make the following recommendations for settlement of the impasse items for the 2003-2004 contract year:

1. Article XVII, Wages. I recommend each pay step of the wage schedule in Appendix B be increased by 4.0%.

2. Article XII, Insurance. I recommend the prescription-drug coverage provisions, contained in the current contract between the parties, be continued unchanged in the 2003-2004 contract. Put another way, I recommend no change to Article XII.

The reasons for these recommendations are as follows:

1. The percentage of the salary/wage increase recommended is consistent with percentages of the annual salary/wage increases the parties themselves have negotiated in prior contracts and is within the range of the 2003-2004 settlements on salaries/wages in the two groups submitted by the parties for comparison. This recommendation on salary/wages also takes into account the cost of maintenance of the health insurance benefit for bargaining-unit employees.

2. The recommendation regarding the prescription drug plan reflects a deference, on the undersigned's part, to the balance the parties themselves have struck with respect to the various components of compensation in previous contracts they have settled. Maintenance of the plan, as is, based upon the record made

available to the undersigned, will, in the judgment of the undersigned, maintain the bargaining unit's position, in terms of total compensation, in relation to the other units surveyed.

Dated this 9th day of April, 2003.

Respectfully submitted,

  
Sterling L. Benz, Fact-Finder

January 14, 2003

Ms. Susan Bolte  
Iowa Public Employment Relations Board  
504 E. Locust, Suite 202  
Des Moines, Iowa 50309

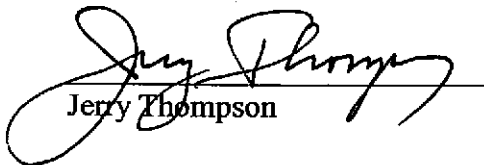
**Re: Fact-finding Hearing between the City of Urbandale and IUPAT Local No. 2003**

Dear Susan:

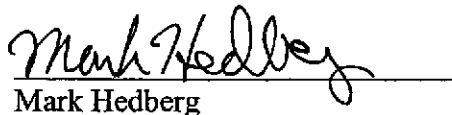
This letter is to inform the Iowa Public Employment Relations Board (PERB) that the City of Urbandale and IUPAT Local No. 2003 have mutually agreed to postpone the fact-finding hearing scheduled with Sterling Benz on January 15, 2003. If a voluntary agreement cannot be negotiated, the parties will inform PERB that they are proceeding to fact-finding and will use Mr. Benz as the fact-finder.

The parties have further agreed to extend the mandatory completion of contract negotiations from March 15, 2003 to June 15, 2003. No other statutory provisions or time lines have been altered by this agreement.

For the City of Urbandale:

  
Jerry Thompson

For IUPAT Local No. 2003:

  
Mark Hedberg

cc: Mr. Sterling Benz

352937

**Thompson & Associates**

*Consultants in employee relations*

2813 Virginia Place / Des Moines, Iowa 50321

Phone: 515-282-8279

FAX: 515-282-6349

E-mail: jdtomson@mchsi.com

January 9, 2003

Mr. Mark T. Hedberg  
840 Fifth Avenue  
Des Moines, Iowa 50309-1398

Re: City of Urbandale/PPME – Employer Position for Fact-Finding

Dear Mr. Hedberg:

The following proposals are presented as part of the negotiation process and represent the City's position for the Fact-Finding hearing scheduled for January 15, 2003.

The City proposes no changes in the current Agreement with the exception of the following:

**Article XII Insurance.**

A three tier formulary program be instituted for prescription drug coverage with deductibles of \$5 for generic, \$20 for brand, \$45 for brand not on formulary.

**Article XVII Wages**

Increase each pay step of the wage schedule in Appendix B by 2.0%.

**Article XXI Duration of Agreement.**

The Agreement shall be in force and effect from July 1, 2003 through June 30, 2004.

Sincerely,

  
Jerry Thompson

cc: Deborah A. Groene

000015



CITY OF URBANDALE POLICE DEPARTMENT  
UNION'S FACT-FINDING PROPOSAL  
JULY 1, 2003 CONTRACT

The Public Professional and Maintenance Employees Local 2003 IUPAT propose no changes in the current Agreement with the exception of the following:

ARTICLE XXI - DURATION OF AGREEMENT Page 22

This Agreement shall be in force and effect from July 1, 2003 through June 30, 2004.

ARTICLE XVII - WAGES and APPENDIX B Pages 18 and 25

INCREASE each step in each classification 7.25% across-the-board.

Submitted on this 2<sup>nd</sup> day of January, 2003 by Mark T. Hedberg.

CERTIFICATE OF SERVICE

I certify that on the 9th day of April, 2003, I served the foregoing Report of Fact-Finder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

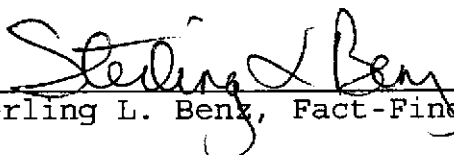
Deborah Groene  
PO Box 12248  
Des Moines, IA 50312

Jerry Thompson  
2813 Virginia Place  
Des Moines, IA 50321

Mark T. Hedberg  
Attorney at Law  
840 Fifth Avenue  
Des Moines, IA 50309-1398

James C. Hanks  
Attorney at Law  
100 Court Avenue, Suite 600  
Des Moines, IA 50309-2231

I further certify that on the 9th day of April, 2003, I will submit this Report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309.

  
Sterling L. Benz, Fact-Finder